

**Minutes of a Special Session of the Common Council of the Town of Clarkdale
Held on Tuesday, June 26, 2018 at 3:00 P.M.**

A Special Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, June 26, 2018, at 3:00 P.M. in the Clark Memorial Clubhouse, Men’s Lounge, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER – Meeting was called to order at 3:01 P.M. by Vice Mayor Dehnert.

Town Council:

Mayor Doug Von Gausig (absent*)
Vice Mayor Richard Dehnert
Councilmember Scott Buckley

Councilmember Bill Regner
Councilmember Ben Kramer

Town Staff:

Town Manager Gayle Mabery
Community Development/Economic Director Jodie Filardo
Program Manager Mike Grey
Administrative Services Director Kathy Bainbridge
Finance Manager Kathy Cwiok
Human Resources Manager Lonnie Hovde
Police Chief Randy Taylor
Community Services Manager Joni Westcott
Town Clerk Mary Ellen Dunn

(*It was noted that Mayor Von Gausig was delayed by a road block on I-17 and may not be able to attend.)

PUBLIC COMMENT – The Town Council invites the public to provide comments at this time. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.

There was no public comment.

CONSENT AGENDA - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

- A. Reports** - Approval of written Reports from Town Departments and Other Agencies
 - Building Permit Report – May, 2018
 - Police Department Report – May 2018
 - Special Event Liquor License Recommendations – Octoberfest (St. Thomas Episcopal

Church of Clarkdale) October 12, 2018; Downtown Block Party (The Oddity Wine Collective, LLC) June 29, 2018
CAT/LYNX Transit Report – May, 2018
Verde Valley Humane Society Report – April, 2018

- B. Clarkdale Historical Society and Museum Facility Use Agreement** – Approval of the 2018-2019 Reimbursement Agreement for the use of Town Facilities by the Clarkdale Historical Society and Museum.
- C. Made In Clarkdale Facilities Use Agreement** – Approval of the 2018-2019 Reimbursement Agreement for the use of Town Facilities by Made In Clarkdale, Inc.

Vice Mayor Dehnert pulled items A and D.

- A. Vice Mayor Dehnert noted statistics of interest in the Police Report. On the index of violent crimes against persons, there were no violent crimes in our community this year. In property crimes (burglary, theft, auto theft and arson, there has been a reduction of 68% from last year (January through May time period). The index crime rate (crimes per 100,000) is down 70% from the same period last year. Total of other crimes including assault, criminal damage, disorderly conduct, domestic violence, drug offenses, trespassing, juvenile disturbances, etc., are down 18% from same period last year. The number of arrests down 33% for adults and 69% for juveniles, for a total arrest reduction of 42%.
- D. Letter of Support** – Approve and issue letter of support for the *Verde Connect* (SR 260 and Middle Verde Road Connection) BUILD application.

Yavapai County wishes to submit a Grant application under the BUILD Grant (Originally the TIGER Grant) for the *Verde Connect* (SR 260 and Middle Verde Road Connection).

Through extensive regional planning efforts over the last 25 years, this vital link has consistently been identified as a necessary connection to support local and regional transportation.

The Verde Valley is a tight-knit rural area consisting of numerous local communities that work side-by-side to help improve transportation for our local residents and visitors. Clarkdale is particularly supportive of these efforts to develop this connection, as many of our visitors, residents, and those employed within our Town are impacted by the region's limited transportation route options.

The VVTPO agencies have collectively agreed that this project is the region's top transportation priority, with all agencies committing to help bring this project to life. As a member agency in the Verde Valley Transportation Planning Organization (VVTPO), we are excited for the development of this project that will create positive impacts to both the economy and quality of life of the region. While there is not a specific benefit to the Town of Clarkdale in the short term, this project brings several benefits to the Verde Valley.

Vice Mayor Dehnert asked if this item could be tabled and further discussion followed regarding the time sensitivity of this item. As the letter expressed support for the project, it was agreed to item could

move forward on the Consent Agenda and additional information would be provided and any needed discussion would occur at a later meeting.

Action: Approve Consent Agenda items A - D as presented.

Motion: Councilmember Kramer

Second: Councilmember Buckley

Vote: Passed unanimously.

NEW BUSINESS

FRIENDS OF CLARKDALE MEMORIAL LIBRARY ANNUAL AGREEMENT – Discussion and consideration of a Reimbursement Agreement for the use of Town Facilities for the Friends of Clark Memorial Library.

On June 16th, 2017 a passionate group of community members was approved for their 501(c) (3) Arizona non-profit status with dedication to the financial support of the Clark Memorial Library. The commitment of the Friends of Clark Memorial Library (FCML) is to raise at least \$12,000 annually to be used for the purchase of library materials and to support library programming. Working together with the Yavapai County Library District, the FCML have dedicated much of their time to collecting materials and creating a book store within the library specifically to raise funds for their cause. In addition, the group has been holding small outside book sales at many public events in the community paying a Vendor Application fee for Town events of \$15 per event.

The FCML have requested the opportunity to use the Clark Memorial Clubhouse to hold larger book sales throughout the year at the same rates that other Clarkdale non-profits receive. This would also include a waiver of Vendor Application fees. Increased revenues and lower expenses would benefit the Clark Memorial Library and thus the community.

The facility use cost reduction would look the same as that offered to the Clarkdale Historical Society and Museum and Made in Clarkdale:

Facility	Standard Resident & Non Profit Fee/Cost - 24 hrs.	Annual Facility Use Agreement Fee/Cost – 24 hrs.	Discount Fee/Cost - 24 hrs.
Clubhouse Auditorium	\$568.00	\$48.00	(\$520.00)
Clubhouse Men's Lounge	\$448.00	\$22.00	(\$426.00)
Clubhouse Ladies' Lounge/Kitchen	\$448.00	\$37.50	(\$410.50)

The FCML have thus far demonstrated stewardship of the facility they occupy and those of which they rented for their Grand Re-opening Celebration.

Community Services Manager Joni Westcott presented information on this agenda item to Council. Some of the activities initiated by the Friends include making available newspapers and magazines, new print books and DVDs, they support the staff for the summer reading program, support Art at the Clark, seed bank dispensary, transfer 33 rpm records to CD Rom, notary public for library is now available to the public.

Vice Mayor Dehnert opened the discussion to public comment and the following persons spoke in favor of the agreement:

Sybil Malinowski- Melody, Clarkdale resident and Secretary of Friends of Clark Memorial Library.

Councilmember Regner registered is support for this agreement.

Action: Approval of the 2018-2019 Facility Reimbursement Agreement for use of Town facilities by the Friends of Clark Memorial Library.

Motion: Councilmember Regner

Second: Councilmember Kramer

Vote: Passed unanimously.

AGREEMENT BETWEEN SAFEUILT AND TOWN OF CLARKDALE - Discussion and possible action regarding an agreement between the Town of Clarkdale and SAFEuilt, Arizona, LLC, consultant.

As a result of the high volume of grading and drainage permits received related to the United Verde Soil Program and of the related increase in demand for inspections of those permits, the Town has sought the professional services of a consultant to provide building inspections in support of the Program.

Due to consideration of the increased demand from the UVSP and based upon an Agreement executed on May 8, 2018 by and between the Town of Clarkdale and Freeport Minerals Inc. (FMI), FMI has agreed to pay for the services of this additional inspector to perform both grading and drainage permit inspections and inspections related to the accompanying right-of-way permits encapsulated in the single permit application.

To find a consultant willing to provide inspection services, staff reached out to three different providers to solicit a quote for services. Only one of the three, SAFEuilt, responded with an interest to provide building inspection services in Clarkdale. Following Town staff interviews with two candidates proffered by the consultant, one individual was selected.

The consultant will work Monday through Friday and occasional Saturdays. For forty hours a week, the hourly fee for the consultant will be \$60. For hours worked in one week in excess of 40 hours, the hourly fee will be \$75. For that fee, SAFEuilt will provide an inspection vehicle. The Town will be billed for the services and will in turn process a reimbursement from FMI. FMI will provide an initial deposit amount of \$20,000 against which the SAFEuilt bills will be applied. Upon request, the Town will provide documentation of the specific invoices to FMI. Further, FMI has agreed to pay for required safety equipment and also a computer for use by this consultant while performing inspections.

Staff provided the contract template to Town Counsel who reviewed the contract template, asked questions, and did not request any changes to the contract. Staff is interested in entering into an Agreement with SAFEuilt Arizona, LLC to provide inspection services. If approved, the target start date for the consultant would be July 2, 2018.

Community Development/Economic Director Jodie Filardo presented information on this agenda item.

Vice Mayor Dehnert mentioned that last item on the list of inspection services (#3 of the attached Fee Schedule states the hours of operation are Monday through Friday from 9 p.m. to 5 p.m. and should be

changed to 9 a.m.

Councilmember Regner asked if this Agreement satisfies all regulations regarding procurement policies and was informed that because this is a professional service and there are very few providers, there are different rules for procurement and we may proceed with only one response. In addition, the Town is the “pass through” entity for this contract and Freeport is actually the paying party.

Action: Approve the Professional Services Agreement between the Town of Clarkdale and SAFEbuilt Arizona, LLC, to provide inspection services with amendment to attachment, Professional Services Agreement, Page 8, Item 3, Fee Schedule, inspection services changed from 9 p.m. to 9 a.m.

Motion: Councilmember Regner

Second: Councilmember Kramer

Vote: Passed unanimously.

FISCAL YEAR 2017-2018 BUDGET TRANSFERS– Discussion and consideration regarding authorization for fund transfers within the fiscal Year 2017-2018 budget.

Each year the Council adopts a balanced budget based on projections of local revenue as well as projections from the State of Arizona revenue (State Shared Revenues and State Sales Tax). Staff uses these projections to budget for expenses expected to be incurred in the following year. During the year, Council may make changes to a budget based on economic factors by authorizing additional transfers when needs are identified.

Exact amounts available for the requested budget balancing transfers will not be available until well after June 30th, when final sales tax collections are distributed by the State of Arizona and yearly closing entries have been completed. The following transfer totals are based on current projections of year end funds available. For audit purposes, these adjustments need to take place before the June 30th end of the Fiscal Year. Actual transfer amounts may differ due to changes in actual revenue received for the remainder of the year and amounts required to balance the General Fund, HURF Fund, Capital Projects Fund, Water Fund, Wastewater Fund, Sanitation Fund, and Cemetery Fund.

Proposed transfers are as follows and are based on total dollars available:

<u>Transfers out of:</u>	<u>Transfers into:</u>	<u>Amount:</u>	<u>Current Budget</u>
<u>Construction Tax Transfer to Capital Projects Fund and General Fund offset amount</u>			
General Fund – Construction Tax	Capital Projects Fund	\$ 64,000.00	\$51,500.00
<u>General Fund Transfer to HURF Fund</u>			
General Fund – Street Funding	Street (HURF) Fund	\$105,000.00	\$91,220.50
<u>Administration Fee Fund transfers to General Fund</u>			
Streets Fund	General Fund	\$38,546.61	\$38,546.61
Wastewater Fund	General Fund	\$37,696.86	\$37,696.86
Water Fund	General Fund	\$57,304.88	\$57,304.88
Sanitation Fund	General Fund	\$26,636.36	\$26,636.36
Grants Fund	General Fund	\$ 0	\$ 4,545.50

Cemetery Fund	General Fund	\$ 4,059.09	\$ 4,059.09
<u>Transfers out of:</u>	<u>Transfers into:</u>	<u>Amount:</u>	<u>Current Budget</u>
Perpetual Care Fund	Cemetery Fund	\$ 20,000.00	\$ 15,000.00
WW O&M	WW P&E Improve	\$263,289.00	\$263,289.00
Water O&M	Water Capital Improve	\$ 509,386.00	\$509,386.00

Finance Manager Kathy Cwiok presented information on this agenda item to council.

Action: Authorize the staff to make the necessary budget balancing fund transfers within the Fiscal Year 2017-2018 budget.

Motion: Councilmember Buckley

Second: Councilmember Regner

Vote: Passed unanimously.

GENERAL FUND BUDGET ADJUSTMENTS – Discussion and consideration of adjusting various General Fund Department 2017-2018 adopted operating budgets to reflect year end expenditures.

The proposed budget balancing adjustments between General Fund departments will move budgeted funds from one department with remaining funds to offset those departments that were in need of additional budgeted funds at year end and reflected in the adopted Preliminary Budget. In past years we have done budget adjustments between departments to balance department budgets. This year we are adjusting a portion of the department budgets with the use of development and growth funds budgeted in both the Contingency department and revenues.

The majority of the adjustments are salary and benefit expenses due to an earlier implementation of the reorganization than originally intended.

The Police Department adjustments are due in part to the payouts for the Hall/Parker settlement with PSPRS, along with Reserve Officer wages.

General Fund				
<u>Account Number</u>	<u>Description</u>	<u>Current Budget</u>	<u>Reallocation</u>	<u>New Budget</u>
Town Wide				
01-5-2300-9004	Legal Fees	\$35,000.00	-\$11,000.00	\$24,000.00
Community Services				
01-5-2602-6000	Salaries	\$98,369.00	-\$19,000.00	\$79,369.00
01-5-2602-6022	Health Insurance	\$22,408.00	-\$ 2,500.00	\$19,908.00
01-5-2602-6020	Social Security	\$ 7,564.00	-\$ 1,400.00	\$ 6,164.00
01-5-2602-6024	State Retirement	\$11,312.00	-\$ 2,100.00	\$ 9,212.00
Contingency				
01-5-2000-8500	Development & Growth	\$125,000.00	-\$113,600.00	\$11,400.00

Administration 01-5-2100-6000	Salaries	\$230,965.00	\$23,500.00	\$254,465.00
Town Clerk 01-5-2101-6000	Salaries	\$ 67,243.00	\$ 8,100.00	\$ 75,343.00
Human Resources 01-5-2102-6000	Salaries	\$ 47,906.00	\$18,500.00	\$ 66,406.00
Community Development 01-5-2500-6000	Salaries	\$254,274.00	\$9,500.00	\$263,774.00
Court 01-5-2800-6000	Salaries	\$77,452.00	\$10,000.00	\$87,452.00
01-5-2800-8020	Public Defender	\$ 1,600.00	\$10,500.00	\$12,100.00
Police Department 01-5-2900-6000	Salaries	\$492,684.00	\$59,150.00	\$551,834.00
01-5-2900-6021	Retirement	\$105,475.00	\$ 4,050.00	\$109,525.00
Public Works 01-5-3101-6000	Salaries	\$164,433.00	\$ 6,300.00	\$170,733.00
Total		\$1,736,685.00	\$00	\$1,736,685.00

Finance Manager Kathy Cwiok presented information on this agenda item to council.

In response to a question from Councilmember Regner regarding further information on the contingency fund for development and growth, Cwiok noted that this was a line item that has never been used an expense because the revenues have never come in above the budget amount.

Vice Mayor Dehnert asked for clarification about the police department transfer and Cwiok confirmed that this was from the Public Safety Retirement fund and taking what was paid out to Tier 1 and Tier 2 officers and used to pay down the unfunded liability.

Action: Approval of 2017-2018 General Fund Budget Adjustments as presented.

Motion: Councilmember Kramer

Second: Councilmember Regner

Vote: Passed unanimously.

FISCAL YEAR 2018-2019 PRELIMINARY BUDGET – Discussion and consideration of adoption of a Preliminary Budget for Fiscal Year 2018-2019.

During the April and May, 2018 Council Meetings, presentations of the 2018-2019 Fiscal Year Preliminary Budget were reviewed for the Major Operational Funds of the General Fund, HURF (Streets) Fund, Wastewater Fund, Sanitation Fund, Water Fund, Cemetery Fund, and Capital Improvement Fund. There were also budget presentations for the additional Non-Operational Funds of the Development

Reimbursement Fund, Impact Fees, Wastewater Development Projects, Grant Fund and Donation Fund. Designated Funds were authorized for special one-time project requests.

The preliminary budget must be fully itemized in conformance with forms supplied by the Arizona Auditor General’s Office and entered as a public record in the council meeting minutes when it is adopted.

As part of the required State budget adoption process, the Town will publish the preliminary budget in the local newspaper and have the budget available for public viewing before the final budget hearing and approval on July 24th. After the preliminary budget is approved, adjustments may still be made prior to when the Final Budget is adopted, but only if those adjustments reduce revenues and/or expenditures. In light of that, the adoption of the Preliminary Budget sets the expenditure limitation for the Town of Clarkdale for FY 2018-19.

DEPARTMENT	2017-2018	2018-2019	%
General Fund (Department Budgets & Donations)	\$ 4,328,851	\$ 4,804,657	+ 11.00 %
Special Revenue Funds (Streets, Grants, Impact, Develop)	\$ 3,420,989	\$ 9,965,448	+ 191.31 %
Capital Projects	\$ 859,580	\$ 853,818	- 0.67 %
Permanent Funds (Cemetery Perpetual Care Funds)	\$ 26,150	\$ 4,000	- 84.71 %
Enterprise Funds (Water, Sewer, Sanitation, Cemetery)	<u>\$ 5,845,225</u>	<u>\$ 6,265,033</u>	+ 7.16 %
TOTAL ALL FUNDS	\$14,480,795	\$21,892,956	+ 51.19%

Finance Manager Cwiok presented information on this agenda item to council.

Town Manager Mabery reminded the Council and the public that the \$6,000,000 obligation bond monies represented in the budget are monies that must be considered even though the election outcome is not yet known. If the election passes, the line item allows us to proceed, and if the election fails, no funds will be expended against that line item.

Action: Adopt the Preliminary Budget for Fiscal Year 2018-2019 as presented.

Motion: Councilmember Regner

Second: Councilmember Kramer

Vote: Passed unanimously.

RATIFICATION OF NAME POSITIONS AS DRAWN BY LOT AND ELIMINATION THE OF BALLOT ROTATION PROCESS – Notice of eliminating the ballot rotation process defined in the June 12, 2018 Regular Meeting and ratifying the lot drawing determining candidate name positions on Primary Election Ballot.

At the June 12, 2018 Regular Council Meeting, the Town Clerk entered into the process of determining candidate positions on the August 28, 2018 primary election ballot by drawing the candidate's names by lot at a public meeting. The names were drawn as follows:

William (Bill) Regner

Benjamin Kramer

Bob Ingulli

Eileen Sydow

With the drawing of names, the conversation continued showing how the names would be rotated based upon the drawing between the three precincts in Clarkdale of Spirit, Onyx and Ghost.

After submitting the information to the Yavapai County Elections Department, they informed the Town of Clarkdale that, due to limitations of their elections management system, and because our precincts overlap with Cottonwood and Jerome in some cases, names on the 2018 Primary Ballot could not be rotated by precinct.

As further explanation, the County states that before consolidated elections, Yavapai County did not have to worry about jurisdictions that shared precincts, because they usually didn't hold elections at the same time. An unfortunate side effect of consolidated elections is that when two or more jurisdictions share a precinct, they often have to look at the fairest way to share the rotations, and they are limited in the amount of rotations they can allow due to their current elections management system.

Clarkdale has four candidates with a maximum of three rotations, and one of our precincts only has two registered voters in it. Yavapai County thought Clarkdale already determined it was impracticable for us to comply fully with A.R.S 16-468 (4) since there were four candidates and three precincts.

When it is impracticable, they refer to A.R.S 16-464 (D): "When candidate name rotation is found to be impracticable, the position of the names of candidates shall be drawn by lot at a public meeting."

To the County, draw by lot means that you will not be rotating, as A.R.S 16-464 (D) is written to identify what to do in the event that rotation is not an option.

For all of these reasons, it will not be possible for the County to offer Clarkdale rotation of candidate names for this election.

Clarkdale and Yavapai County would like to apologize for any confusion or miscommunication. In the future, we will do our best to clarify with the County that options are either alphabetical OR draw by lot, and determine if there are any rotations available and exactly how many rotations.

This agenda item is to ratify the position of candidate names drawn by lot at the June 12, 2018 Regular Council meeting and eliminate the name rotation process as directed by Yavapai County Elections department. The candidate names will appear in the positions determined by lot, on the August 28, 2018 ballot for all three precincts in Clarkdale:

William (Bill) Regner
Benjamin Kramer
Bob Ingulli
Eileen Sydow

There will be no name rotation.

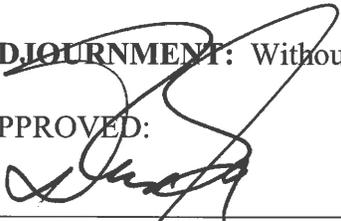
Town Clerk Mary Ellen Dunn presented this information to Council.

Action: This is a discussion only and no council action is required.

FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda.

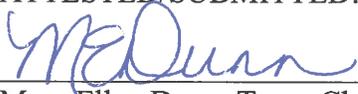
ADJOURNMENT: Without objection Mayor Doug Von Gausig adjourned the meeting at 3:55 P.M.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



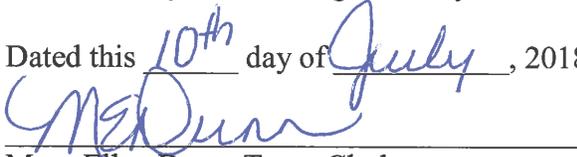
Mary Ellen Dunn, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 26th day of June, 2018. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 10th day of July, 2018.

SEAL



Mary Ellen Dunn, Town Clerk

